



NEWS RELEASE

Office of the United States Attorney
Eastern District of Texas

FOR IMMEDIATE RELEASE

DATE: July 1, 2005

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FOUR SENTENCED FOR CONSPIRACY TO DEFRAUD IRS

(Sherman, Texas) Four north Texas men have been sentenced in the Eastern District of Texas for their roles in a conspiracy to defraud the Internal Revenue Service. United States District Judge Paul Brown sentenced the final three defendants late yesterday concluding the case.

On June 2, 2005, **RICKY DON KINCAID**, 33 of Leander, was sentenced to 36 months in prison and ordered to pay \$1,188,862.40 in restitution. In court yesterday, **CHARLES WILLIAM LUCKIE JOHNSON, JR.**, 40 of Dallas, was sentenced to 33 months in prison and ordered to pay \$867,720.21 in restitution; **NHAT HOAI NGO**, 32 of Dallas, was sentenced to 24 months in prison and ordered to pay \$867,720.21 in restitution; and **DEMIAN JOHN CRATTY**, 30 of Leander, was sentenced to five years probation with a period of six months home confinement and ordered to pay \$374,138.08 in restitution.

According to court documents, the defendants conspired to defraud the IRS by actively impeding and impairing the United States Department of the Treasury, Internal Revenue Service, in the ascertainment, assessment and collection of both business and personal income tax liabilities. The men admitted acquiring investment monies from various investors, converting those funds to corporate and personal

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income, and failing to accurately report their personal federal income tax liability, and that of Peyton Waller Financial Group ("PWFG"), the Wilcox Entities, their employees, investors, and contractors for the tax years 2001 and 2002. The men also admitted taking affirmative steps to prevent the IRS from discovering their personal income, and the income and/or losses to PWFG, the Wilcox Entities, their employees, contractors, and investors.

The men also admitted that, on behalf of PWFG, they solicited and received approximately \$680,000 in investment funds to be used for foreign currency trading, of which \$218,118 was misapplied and converted to our use and that of others, and solicited and received, on behalf of the Wilcox Entities, approximately \$517,618 to be used for oil and gas investments, of which \$478,013 was misapplied and converted to their personal use and that of others.

The IRS and the Texas State Securities Board investigated the case. Assistant U.S. Attorney Terri L. Hagan and Special Assistant U.S. Attorney Constance L. Melton prosecuted the case.

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